Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015

HOUSE BILL NO. 1012
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide appropriations for defraying the expenses of the department of transportation; to provide an appropriation to the state treasurer for allocations to townships in non-oil-producing counties; to provide for transfers; to amend and reenact section 39-02-03 of the North Dakota Century Code, relating to department of transportation motor vehicle branch offices; to provide for legislative management studies; to provide for a department of transportation study; to provide for a report to the legislative management; to provide for a report to the legislative council; to provide exemptions; and to provide for application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2015, and ending June 30, 2017, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$187,477,585	$20,300,693	$207,778,278
Accrued leave payments	7,280,897	(7,280,897)	0
Operating expenses	376,721,715	19,101,036	395,822,751
Capital assets	727,911,207	379,785,753	1,107,696,960
Grants	79,788,030	(16,870,000)	62,918,030
Total all funds	$1,379,179,434	$395,036,585	$1,774,216,019
Less estimated income	1,379,179,434	394,976,585	1,774,156,019
Total general fund	$0	$60,000	$60,000
Full-time equivalent positions	1,079.50	1.00	1,080.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2013-15	2015-17
General fund transfer to highway fund	$541,600,000	$0
Enhanced state highway investments	1,161,600,000	503,115,558
TIGER III federal railroad program	10,000,000	0
General license plate issue	6,820,000	0
Contingent general fund transfer to public transportation fund	1,100,000	0
Airplane replacement	4,500,000	0
Transportation distribution to oil-producing counties	160,000,000	0
Transportation distribution to non-oil-producing counties	120,000,000	0
Recreational road access	0	2,000,000
Vehicle registration and titling system replacement	0	2,500,000
Truck size and weight harmonization study	0	60,000
Total all funds	$2,005,620,000	$507,675,558
Total special funds	541,600,000	507,615,558
Total general fund	$1,464,020,000	$60,000

The 2015-17 one-time funding amounts are not part of the entity's base budget for the 2017-19 biennium. The department of transportation shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made under this section.

SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $503,115,558, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - MOTOR COACH REIMBURSEMENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $1,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of reimbursing costs incurred from motor coach operations, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

SECTION 6. APPROPRIATION - TRANSFER - GENERAL FUND TO SPECIAL ROAD FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $2,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the special road fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided under this section to the special road fund at the request of the director of the department of transportation. This appropriation is a one-time funding item.

SECTION 7. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of $7,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of one-time funding for the department of transportation's short line railroad program, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 8. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $8,000,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of organized and unorganized townships in non-oil-producing counties, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section must be distributed in February 2016. The state treasurer shall distribute the funds provided under this section to counties and the county treasurer shall allocate the funds to or for the benefit of townships in non-oil-producing counties through a one-time distribution of $5,000 to each organized township and a one-time distribution of $5,000 for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this section for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received an allocation of funding under section 57-51-15 of less than $5,000,000 in the state fiscal year ending June 30, 2014. The funding provided in this section is considered a one-time funding item.

SECTION 9. DEPARTMENT OF TRANSPORTATION - TRUCK SIZE AND WEIGHT HARMONIZATION. The operating expenses line item in section 1 of this Act, includes the sum of $60,000 from the general fund, for the department of transportation to collaborate with the upper great plains transportation institute to study the impacts in this state of harmonizing truck size and weight regulations with states in the western states transportation alliance regarding standard commercial truck envelope limits of 129,000 pounds gross vehicle combination weight or 100 foot cargo carrying length and potential implications, for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - TRUCK SIZE AND WEIGHT HARMONIZATION. During the 2015-16 interim, the legislative management shall study the truck size and weight provisions under chapter 39-12 relating to size, width, and height restrictions, in order to ensure the state of North Dakota may harmonize its truck size and weight regulations with the regulations of the states in the western states transportation alliance, and shall utilize the findings of the collaborative study of the department of transportation and the upper great plains transportation institute to determine appropriate changes to state law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 11. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $200,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the sum of $100,000 on July 1, 2015, if deposits in the public transportation fund from the highway tax distribution fund are $5,200,000 or less during the period beginning July 1, 2014, and ending June 30, 2015. The office of management and budget shall transfer the sum of $100,000 on July 1, 2016, if deposits in the public transportation fund from the highway tax distribution fund are $5,200,000 or less during the period beginning July 1, 2015, and ending June 30, 2016.

SECTION 12. DEPARTMENT OF TRANSPORTATION STUDY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall study state funding distributions and allocations to public transportation providers. The study must include a review of distributions and allocations, including contingent funding provided, a review of distribution and allocation formulas, and the public transportation providers use of the funds received from the distributions, allocations, and contingent funding, including uses for operating costs and capital asset purchases. The department of transportation shall report to the legislative management regarding the results of its study by June 30, 2016.

SECTION 13. EXEMPTION - HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS FUND. The amount appropriated to the department of transportation from the highway-rail grade crossing safety projects fund, as contained in section 4 of chapter 43 of the 2013 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department highway-rail grade crossing safety projects during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 14. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding of $503,115,558 in the capital assets line item relating to enhanced state highway investments in section 1 of this Act. Any funds not spent by June 30, 2017, must be continued into the biennium beginning July 1, 2017, and ending June 30, 2019, and may be expended only for enhanced state highway investments.

SECTION 15. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING GRANTS. The amount appropriated to the department of transportation from the state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are

available to the department to provide road grade raising grants during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 16. PAYBACK AND REALLOCATION OF FEDERAL AID. Notwithstanding any other provisions of law, the department of transportation may repay the United States department of transportation for previous related expenditures out of current biennium appropriations so that the department may re-obligate the federal aid to other federal aid projects.

SECTION 17. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director~~, subject to the approval of the governor,~~ may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. Branch office contracts entered under this section may extend five years and may be renewed in accordance with this section. At least one year before the end of each branch office contract term, the department shall consider entering contracts with new branch office vendors. Notwithstanding any other provision of law, the director may enter direct negotiations and contract with qualified vendors to provide branch office services. The director may provide for a maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 18. RAIL SAFETY - REPORT TO LEGISLATIVE MANAGEMENT. The department of transportation shall report to a committee designated by the legislative management, regarding the department's updated North Dakota state rail plan and the director of the department of transportation shall post the department's updated North Dakota state rail plan report on the department's public website and provide an electronic copy to the legislative council for placement on the legislative branch public website for the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - SHORT LINE RAILROAD INFRASTRUCTURE. During the 2015-16 interim, the legislative management shall consider studying short line railroad expansion, spurs, switches, or other infrastructure enhancements and the effect of short line railroads on reducing commercial traffic on the state highway system. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 20. LEGISLATIVE MANAGEMENT STUDY - HIGH-EFFICIENCY VEHICLES. During the 2015-16 interim, the legislative management shall consider studying the potential effect high-efficiency vehicles may have on the revenue generated from motor vehicle registration fees, special fuels taxes, special fuels excise taxes, and gasoline and gasohol taxes. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly.

SECTION 21. APPLICATION. Section 17 of this Act applies to applicable contracts, regardless of whether entered before or after the effective date of this Act.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1012.

House Vote:	Yeas 90	Nays 0	Absent 4
Senate Vote:	Yeas 47	Nays 0	Absent 0

Chief Clerk of the House

Received by the Governor at 7:50 P.M. on April 28, 2015.

Approved at 2:48 P.M. on April 29, 2015.

Governor

Filed in this office this 30th day of April, 2015,

at 8:21 o'clock A M.

Secretary of State